



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

Procurement  
Instruction  
Memorandum  
No. 99-05  
Mar. 18, 1999

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM:

*For*

Annelie M. Kuhn, Acting Director  
Office of Procurement

*Angelia Jackson*

SUBJECT:

DTAR Change 98-06, Minor Changes to Parts 1004 and 1019

Purpose: This DTAR Change is issued to make a minor change to 1019, and to correct typographical errors in the Parts 1004 and 1019.

Effective Date: March 18, 1999

Expiration Date: This PIM will expire when superseded or canceled.

Background: The following citations contained typographical errors that were corrected:

Subpart 1004.1 and 1019.811-1(d)(4). DTAR 1019.812(a) contained duplicate language, that was deleted.

DTAR 1019.503(a) is modified to reflect the original intent of the paragraph, which was to carry forward without substantive change the requirements in TAPR 1019.501(e). It now is also consistent with DTAR 1019.803(c).

Action:

Remove DTAR pages:

Insert DTAR pages:

4-1 through 4-2  
19-3 through 19-8

4-1 through 4-2  
19-3 through 19-8

Questions may be directed to Angelie Jackson at (202) 622-0245.



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**PART 1004 -  
ADMINISTRATIVE MATTERS**

**Subpart 1004.1 -- Contract Execution**

- 1004.101 Contracting officer's signature.
- 1004.103 Contract clause.

**Subpart 1004.4 -- Safeguarding Classified Information within Industry**

- 1004.402 General.
- 1004.403 Responsibilities of contracting officers.
- 1004.470 Investigative Requirements for Contractors.
- 1004.470.1 General.
- 1004.470.2 Responsibilities of contracting officers.

**Subpart 1004.6 -- Contract Reporting**

- 1004.602 Federal Procurement Data System.
- 1004.670 TPDS and other reports.
- 1004.671 Procurement Register Form TD F 76-01.7.

**Subpart 1004.8 -- Government Contract Files**

- 1004.805 Storage, handling, and disposal of contract files.

**Subpart 1004.70 -- Numbering of Solicitations, Contracts, and Orders**

- 1004.7000 Prefixes.
- 1004.7001 Numbering.

**Subpart 1004.71 -- Legal Review**

- 1004.7100 Threshold.
- 1004.7101 Timeframes for review.
- 1004.7102 Threshold exceptions.
- 1004.7103 Documentation.
- 1004.7104 Legal review comments.

**Subpart 1004.72 -- Staff Review**

- 1004.7200 General.
- 1004.7201 Departmental review.
- 1004.7202 Departmental review comments and approval.

**Subpart 1004.73 -- Evaluation and Certification of Treasury Procurement System**

**Subpart 1004.74 -- Procurement Automation**

- 1004.7401 Policy.
- 1004.7402 Departmental review of automated acquisition systems and applications.

**Subpart 1004.1 -- Contract Execution**

- 1004.101 Contracting officer's signature.**

(d) No employee may sign a contract document "for" a CO; such documents may be signed only by the CO whose name appears thereon.

- 1004.103 Contract clause.**

CO's shall insert the clause at FAR 52.204-1 in each solicitation where approval is required above the CO level.

**Subpart 1004.4 -- Safeguarding Classified Information within Industry**

- 1004.402 General.**

(b) The Treasury is a participant in the National Industrial Security Program. The Director, Office of Security, is delegated authority and responsibility for this function in accordance with TD P 71-10, "Office of Security Manual."

- 1004.403 Responsibilities of contracting officers.**

- (a) Presolicitation phase.

(2) The instructions provided in Chapter IV of TD P 71-10 shall apply.

- (b) Solicitation phase.

(1) The instructions provided in Chapter IV of TD P 71-10 shall apply.

- (c) Award phase.

- (1) CO's shall ensure that DD Form 254,

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including solicitation or contract number and required classified guidance, is forwarded to the Office of Security prior to release of classified information.

### **1004.470 Investigative Requirements for Contractors**

#### **1004.470.1 General.**

Contract employees not requiring access to classified information shall meet the investigative requirements of Chapter II, Section 2 of TD P 71-10.

#### **1004.470.2 Responsibilities of contracting officers.**

##### **(a) Presolicitation phase.**

(1) For contractors not requiring access to classified information, the instructions provided in Chapter II, Section 2 of TD P 71-10 shall apply.

##### **(b) Solicitation phase.**

(1) For contractors not requiring access to classified information, the instructions in Chapter II, Section 2 of TD P 71-10 shall apply.

### **Subpart 1004.6 -- Contract Reporting**

#### **1004.602 Federal Procurement Data System (FPDS).**

(c) MMK oversees the Treasury Procurement Data System (TPDS), which provides the Department's input to the FPDS.

#### **1004.670 TPDS and other reports.**

(a) Bureaus shall report procurement data in accordance with instructions provided in the Federal Procurement Data System (FPDS) Reporting Manual dated 10/95, the Treasury Procurement Data System (TPDS) User Guide dated 5/97 and PIM 97-02 dated 11/27/96.

(b) BCPO's are responsible for maintaining overall quality of their data in the TPDS

and notifying MMK of any discrepancies between data in the TPDS and other information available.

(c) Bureaus shall designate a data coordinator and notify MMK in writing of the designation. Bureau coordinators shall be responsible, at minimum, for the following: training of bureau personnel in preparation of Individual Contract Action Reports (ICARs) and proper completion of manual or automated registers for collection of simplified acquisition data; and, collection of contract and purchasing data in accordance with reporting requirements as noted in 1004.670(a).

(d) A copy of the ICAR, or computer generated copy of the record accepted into the TPDS, for each action shall be retained in the contract file.

(e) Procurement data shall be entered into the TPDS within 15 days after contract award date.

(f) MMK is the single point of contact within Treasury for reporting Department-wide procurement data to external organizations.

#### **1004.671 Procurement Register Form TD F 76-01.7.**

This form, a bureau approved form, or an automated version will be used by all procurement offices to track Treasury procurements.

### **Subpart 1004.8 -- Government Contract Files**

#### **1004.805 Storage, handling, and disposal of contract files.**

(a) Contract and order files shall be disposed of in accordance with TD 25-02, "Records Disposition Management Program and Removal of Papers" (April 7, 1992), as supplemented by bureau directives; however, in no case shall files be destroyed before the times specified in FAR 4.805.

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though their prices may be higher, if they are not unreasonable (i.e., exceed fair market price).

**1019.503      Setting aside a class of acquisitions.**

(a)      Once a product or service has been acquired successfully on a set-aside basis, all future requirements of that office for that product or service must be set-aside.

(c)(1)    Listed below are products and services set-aside as a class for exclusive small business competition exceeding the simplified acquisition threshold. These class set-asides apply to all Treasury acquisition offices. Bureau headquarters acquisition offices shall establish appropriate additional bureau and field class set-asides.

Purchases of any service listed below of \$1,000,000 or less per year:

Service	SIC Code Group*	Service Code Category**
Business services, including ADP	73	A, D, J, N, R, T, U, V
Engineering, Accounting, Research, Management and Related services	87	A, B, C, R, U
Housekeeping services	73	S
Maintenance and repair of equipment	75,76	J, K
Motion picture production	78	T
Motor freight transportation and warehousing	42	V, R
Printing and publishing	27	T
Training	82	U
Transportation services	47	V

The purchase of any construction listed below of \$3,000,000 or less:

Construction	SIC Code Group*	Service Code Category **
Building	15	Y, Z
Special trades	17	Y, Z

\* Reference: 13 CFR Part 121 or FAR Subpart 19.102

\*\* Reference: Federal Procurement Data Center Product and Service Code Manual

All items in a major group or category are included in the class set-aside.

**1019.505      Rejecting Small Business  
Administration recommendations.**

(b)      The SBS shall inform the OSBP of any appeals and their outcome.

**1019.506      Withdrawing or modifying  
set-asides.**

(a)      The SBS shall forward the written notice to the OSDBU.

(b)      Withdrawal or modification of class

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set-asides in 1019.503(a) and (c)(1) shall be forwarded through the SBS for approval by the OSDDBU.

**Subpart 1019.6 -- Certificates of Competency**

**1019.602 Procedures.**

**1019.602-1 Referral.**

(a) A determination that a small business is not responsible shall not be made without benefit of a preaward survey and preparation of documentation to substantiate the determination. Information adversely affecting the responsibility determination shall be coordinated with the SBS.

(a)(2) Provide a copy of the CO's referral letter and supporting documents to the SBS and the OSBP.

**1019.602-2 Issuing or denying a certificate of competency (COC).**

(d) Provide a copy of the SBA response to the SBS and the OSBP.

**1019.602-3 Resolving differences between the agency and the Small Business Administration.**

(a) CO's may work directly with the SBA area office through their SBS. The CO shall coordinate suspension actions and referrals with the SBS and the OSBP.

(3) If the CO decides to appeal issuance of a COC, the CO shall notify the SBS and the OSBP within five business days after receiving the Headquarters notice that the decision to issue a COC may be appealed.

**Subpart 1019.7 -- Subcontracting with Small Business, Small Disadvantaged Business and Women-Owned Small Business Concerns**

**1019.705 Responsibilities of the contracting officer under the subcontracting assistance program.**

**1019.705-2 Determining the need for a subcontracting plan.**

(c) Submit determinations that no subcontracting possibilities exist for a contract, through the SBS and PCR, to the OSBP for approval at least 10 workdays prior to solicitation release.

**1019.705-3 Preparing the solicitation.**

CO's shall provide SBSs and the PCR on an as-requested basis 5 workdays to review solicitations requiring submissions of subcontracting plans and submit advisory findings before solicitation release.

(a)[added] A Subcontracting Plan Outline with advisory goals shall be included in all solicitations that require subcontracting plans.

(b)[added] For large or complex acquisitions where substantial subcontracting opportunities exist, the CO shall consider including the offeror's subcontracting plan and performance as an evaluation factor for award.

(70) The plan evaluation shall be separate from the technical or cost evaluation.

(71) The offeror's prior performance on its subcontracting plans shall account for half of the total number of points available for that factor.

(72) CO's shall consult with the SBS prior to incorporating subcontracting plans as an evaluation factor for award.

(c)[added] Submission of SF 294, "Subcontracting Report for Individual Contracts," and SF 295, "Summary Subcontract Report," reports shall be included as a not separately priced deliverable under the contract when a subcontracting plan is required.

(d)[added] Reports from Treasury prime contractors shall consist of the following:

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(70) For contractors with individual plans, including master plans with individual goals, a semiannual SF 294. This report is required to be submitted to the CO, who shall forward a copy to the OSBP. An annual SF 295 is required to be submitted to the OSBP.

**1019.705-4      Reviewing the subcontracting plan.**

(a) Detailed instructions for reviewing subcontracting plans are contained in TD P 76-01.B.

(d)(1) Unless waived by the OSBP, prime contractors must be current in their submission of SF 294 and SF 295 reports in order to receive approval of new subcontracting plans.

(d)(7) The CO shall forward all subcontracting plans from the offeror(s) to the bureau SBS for initial review. The SBA PCR shall review all subcontracting plans, after review by the SBS, and prior to forwarding to the OSBP for approval. CO's shall provide the SBSs and the PCR each 5 workdays to review proposed subcontracting plans. Ideally, the SBS and PCR reviews should be performed concurrently. All subcontracting plans shall be submitted to the OSBP at least 10 workdays prior to the contract award date. Upon request, a copy of the proposed prime contract and the cost proposal shall be provided. A copy of the lead agency CO's approval of a master or commercial products subcontracting plan shall be attached. The OSBP approval shall be retained in the contract file.

**1019.705-7      Liquidated damages.**

(d) The CO shall consult with legal counsel, the SBS, and the OSBP prior to making a determination that the contractor failed to make a good faith effort to carry out its plan.

(e) Provide a copy of the final decision to the SBS and the OSBP.

(h) Provide a copy of the final decision

to the SBS and the OSBP.

**1019.708      Solicitation provisions and contract clauses.**

(b)(70) Insert the clause at 1052.219-70, "SF 294 and SF 295 Reporting," in all solicitations and contracts requiring a subcontracting plan.

(b)(71) Insert the provision at 1052.219-71, "Subcontracting Plan," in all solicitations that will require a subcontracting plan.

**Subpart 1019.8 -- Contracting with the Small Business Administration (The 8(a) Program)**

**1019.800      General.**

CO's may contract directly with 8(a) program participants. A contract may be awarded directly to an 8(a) firm on a sole source or competitive basis. (See PIM 98-06, including Memorandum of Understanding between the SBA and the Department that establishes streamlined procedures for expediting the award of 8(a) requirements.)

**1019.803      Selecting acquisitions for the 8(a) program.**

(a) Responses to search letters shall be prepared by the SBS and coordinated with the CO.

(c) Once a product or service has been acquired successfully by an acquisition office on the basis of an 8(a) set-aside, all future requirements of that office for that product or service shall be acquired using 8(a) set-aside procedures. If a CO determines there is no longer a reasonable likelihood that an offer can be obtained from a qualified 8(a) concern and award can be made at fair market prices, the repetitive set-aside must be withdrawn, using the procedures at 1019.506, prior to proceeding with the procurement on another basis.

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**1019.803-71 Simplified Procedures for 8(a) Acquisitions Under MOUs.**

Contracting activities may use the procedures of FAR Part 13 and DTAR Part 1013 to issue purchase orders or contracts, not exceeding \$100,000, to 8(a) participants. The \$100,000 limitation for use of FAR Part 13 applies to commercial and noncommercial items. The following applies to such acquisitions:

(a) Neither offering letters to, nor acceptance letters from, the SBA are required.

(b) The contracting activity shall use the SBA's PRO-Net database on the Internet (<http://www.sba.gov>) to establish that the selected 8(a) firm is a current program participant.

(c) Once an 8(a) contractor has been identified, the CO shall establish the price with the selected 8(a) contractor, prepare and issue a purchase order or contract in accordance with the provisions in FAR Part 13. The applicable clauses in FAR Part 19.811-3 shall be included in the award document.

(d) The CO shall issue the purchase order or contract directly to the 8(a) firm. The CO shall insert FAR clause 52.219-14, Limitations on Subcontracting, and DTAR clause 1052.219-72, Section 8(a) Direct Award, in all purchase orders and contracts awarded under this subsection.

(e) No later than the day that the purchase order is provided to the 8(a) contractor, the Treasury CO shall provide the cognizant SBA Business Opportunity Specialist, using facsimile or electronic mail, the following documents:

(i) a copy of the purchase order; and

(ii) a notice stating that the purchase order is being processed under the MOU. The notice shall also indicate that the 8(a) contractor will be deemed eligible for award and automatically begin work under the purchase order unless, within 2 working days after SBA's receipt of the purchase order, the 8(a) contractor and the Treasury CO are notified that the 8(a) contractor is ineligible for award.

**1019.804 Evaluation, Offering and Acceptance.**

**1019.804-2 Agency offering.**

(a) When applicable, notification shall identify that the offering is in accordance with the MOU identified in 1019.800.

**1019.804-3 SBA acceptance.**

**1019.804-370 SBA acceptance under the MOU for acquisitions exceeding \$100,000.**

(a) The SBA's decision whether to accept the requirement shall be transmitted to the contracting agency in writing within five working days of receipt of the offer.

(b) The SBA may require, and the contracting agency may grant, an extension beyond the five day limit.

(c) SBA's acceptance letter should be faxed or e-mailed to the offering contracting activity.

(d) If the offering contracting agency has not received an acceptance or rejection of the offering from SBA within five days of SBA's receipt of the offering letter, the procurement office shall contact SBA to ascertain the status of the acceptance letter.

(e) The contents of the acceptance letter shall be limited to the eligibility of the recommended 8(a) contractor.

(f) The CO shall issue the contract directly to the 8(a) firm. The CO shall insert FAR clause 52.219-14, Limitations on Subcontracting, and DTAR clause 1052.219-72, Section 8(a) Direct Award, in all contracts awarded under this subsection.

(g) The CO shall forward to the SBA District Office service the 8(a) firm a copy of the contract with offer and acceptance letter, or modifications within five days after they are issued.



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**1019.805 Competitive 8(a).**

**1019.805-1 General.**

(a)(2) For IDIQ contracts, the threshold will be applied to the maximum value of the contract, including options.

**1019.805-2 Procedures.**

(a) 8(a) acquisitions may be conducted using simplified acquisition procedures (see FAR Part 13).

(a)(1) For requirements exceeding \$100,000 processed under DTAR 1019.800, the CO shall submit the name, address, and telephone number of the low offeror (in sealed bid acquisitions) or the apparent successful offeror (in negotiated acquisitions) to the SBA Business Opportunity Specialist at the field office servicing the identified 8(a) firm. The SBA shall determine the eligibility of the firm(s) and advise the CO within two working days of receipt of the request. If the firm is determined to be ineligible, the CO shall submit information on the next low offeror or next apparent successful offeror, as applicable, to the cognizant SBA field office.

**1019.806 Pricing the 8(a) contract.**

(a) When required by FAR Subpart 15.4, the CO shall obtain certified cost or pricing data directly from the 8(a) contractor if the contract is being awarded under DTAR 1019.800.

**1019.808 Contract negotiation.**

**1019.808-1 Sole source.**

(a) If the acquisition is conducted under DTAR 1019.800, the 8(a) contractor is responsible for negotiating with the CO within the time established by the contracting office. If the 8(a) contractor does not negotiate within the established time and the CO cannot allow additional time, the CO may, after notification and approval by SBA, proceed with the acquisition from other sources.

(b) If the acquisition is conducted under DTAR 1019.800, the CO shall negotiate directly with the 8(a) participant; however, if requested by the 8(a)

participant, the SBA may participate in the negotiations.

**1019.811 Preparing the contracts.**

**1019.811-1 Sole source.**

(d) If the award is to be made under 1019.800, the contract to be awarded by the contracting activity to the 8(a) firm shall be prepared in accordance with the contracting activity's normal procedures, given contract type and dollar amount, that the contracting activity would use for a similar, non-8(a) acquisition, except for the following:

(1) The award form shall cite 41 U.S.C. 253 (c)(5) or 10 U.S.C. 2304 (c)(5), as appropriate, and 15 U.S.C. 637 (a) as the authority for use of other than full and open competition.

(2) Appropriate contract clauses shall be included, as necessary, to reflect that the acquisition is an 8(a) contract made under DTAR 1019.800.

(3) The contracting activity shall include SBA's requirement number on the award document for acquisitions exceeding \$100,000.

(4) A single award document shall be used between the agency and the 8(a) contractor. As such, a single signature by the agency's contracting officer who is identified under 1019.800 will suffice, i.e., an SBA signature will not be required. The 8(a) contractor's signature shall be placed on the award document as the prime contractor. The 8(a) contractor's name and address shall be placed in the "Awarded to" or "Contractor name" block on the appropriate forms.

**1019.811-2 Competitive.**

(a) If the award is made under the delegation of 8(a) authority, competitive contracts for 8(a) firms shall be prepared in accordance with the same standards as 8(a) sole source contracts. See DTAR 1019.811-1.

(b) If the acquisition is conducted under DTAR 1019.800, the process for obtaining signatures

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shall be as specified in DTAR 1019.811-1(d)(4).

**1019.811-3 Contract clauses.**

(d)(3) The CO shall insert the clause at FAR 52.219-18, Notification of Competition Limited to Eligible 8(a) Concerns, with its Alternate III (Deviation), when the acquisition is processed under DTAR 1019.800.

(f) The CO shall insert the clause at DTAR 1052.219-72, Section 8(a) Direct Award, in solicitations and contracts that exceed \$100,000 and are processed under DTAR 1019.800. The clauses at FAR 52.219-11, Special 8(a) Contract Conditions; 52.219-12, Special 8(a) Subcontract Conditions; and 52.219-17, Section 8(a) Award, shall not be used.

**1019.812 Contract administration.**

Awards under DTAR 1019.800 are subject to 15 U.S.C. 637(a)(21). These contracts contain the clause entitled, Section 8(a) Direct Award, that requires the 8(a) contractor to notify the SBA and the CO when ownership of the firm is being transferred.

**1019.812-70 Information.**

CO's shall promptly notify the SBA, and inform the SBS of 8(a) contractor performance problems.

**Subpart 19.12 -- Small Disadvantaged  
Business Participation Program**

**1019.1202-3 Consideration in developing an evaluation factor or subfactor.**

(e) Past performance of offerors shall be considered in developing an SDB participation evaluation factor or subfactor. The other criteria in FAR 19.1202-3 shall also be considered when appropriate under the circumstances.